

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6332**

**BILL NUMBER: SB 98**

**NOTE PREPARED: Mar 11, 2012**

**BILL AMENDED: Feb 27, 2012**

**SUBJECT:** County Highway Maintenance Funding.

**FIRST AUTHOR:** Sen. Kenley

**FIRST SPONSOR:** Rep. Espich

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill provides that a county may use property taxes and miscellaneous revenue deposited in the county general fund for the maintenance of county highways. (Current law permits property taxes to be used for highway maintenance only in an emergency and by unanimous vote of the county fiscal body, and the county general fund to be used only for county highway department employees' personal services.)

It allows a city department, officer, or employee to obligate the city beyond the amount of money appropriated for that department, officer, or employee if: (1) the obligation is made under a multi-year interlocal cooperation agreement entered into by the city and one or more political subdivisions or governmental entities; and (2) the agreement is approved by the city fiscal body.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Multi-Year Interlocal Cooperation Agreements:* The bill could lead to more multi-year interlocal cooperation agreements (ICA) by allowing a city department, officer, or employee to enter into multi-year ICA beyond a single-year appropriation for the department, officer, or employee with the approval of the city fiscal body and by describing the method of termination. The bill will have indeterminate fiscal impact based on the efficiencies of the multi-year ICA. Multi-year ICA are currently

allowed under IC 36-1-7.

**Explanation of Local Revenues:** *Use of Funds:* The bill would allow greater flexibility in using property tax funds and miscellaneous revenue deposited in county general revenue funds to help pay for the maintenance of county highways. To the extent that more money is spent for the maintenance of county highways from these sources of revenue than under current law, fewer funds from these sources would be available for other uses.

**State Agencies Affected:**

**Local Agencies Affected:** Counties, cities, and towns.

**Information Sources:**

**Fiscal Analyst:** Camille Tesch, 317-232-9866; Karen Firestone, 317-234-2106.